Loan to Directors by Urban Co-operative Banks

1720. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has mooted a proposal to curtail extending of loan to Directors and their relatives by Primary Urban Co-opearative Banks and if so, by when this guideline would come into force;

(b) whether the RBI has presently shelved the proposal under pressure from vested interests; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India (RBI) *vide* its circular dated 29th April, 2003 prohibited Urban Cooperative Banks (UCBs) from extending any loans and advances (both secured and unsecured) to the directors, their relatives and firms/concerns/ companies in which they are interested, with immediate effect. A number of UCBs and their National and State level Federations have represented to the RBI for some more time before the full ban on granting of loan is imposed. Keeping inview the representation received, it was decided to provide some more time for UCBs to comply with the above instructions. Accordingly, UCBs were advised by RBI that the instructions issued on 29th April, 2003 would be effective from 1st October, 2003.

Financial aid to Tripura

1721. SHRI MATILAL SARKAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Tripura has initiated a proposal to set up a gas-based power project in the State with financial help from an external agency; and

(b) if so, the present status of the proposal and the reaction of the Central Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) A project to set-up a gas-based power project in Tripura with external assistance from the Japan Bank